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Financial statements for the year 2013 as contained in the Report of the Board of Auditors to the General Assembly on the audited financial statements of the Voluntary Funds administered by the United Nations High Commissioner for Refugees for the period ended December 2013

Addendum

Key issues and measures taken in response to the Report of the Board of Auditors for 2013

Report by the High Commissioner

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I. Introduction

1. This report provides an overview of the key findings of the United Nations Board of Auditors in its audit of the financial statements of the voluntary funds administered by the United Nations High Commissioner for Refugees for the year ended 31 December 2013[1], as well as measures taken or proposed by the Office in response to the main and other recommendations.

2. UNHCR prepared the financial statements for the period ended 31 December 2013 in accordance with the International Public Sector Accounting Standards (IPSAS). Following its examination, the Board of Auditors concluded that the financial statements presented fairly UNHCR's financial position, and its financial performance and cash flows for the year ended 31 December 2013, in all material respects and in accordance with IPSAS. As part of its 2013 examination, the Board undertook field visits to UNHCR operations in Ethiopia, South Sudan and Turkey, and examined UNHCR's response to the Syrian Arab Republic situation in Jordan.

3. The audit was conducted primarily to enable the Board to form an opinion on UNHCR's financial statements and included a review of financial systems and internal controls, as well as a test examination of the accounting records. The Board also focused, as part of its 2013 review of the efficiency of UNHCR's administration and management of operations, on: (i) key aspects of the Syrian Arab Republic situation, particularly the refugee operation in Jordan; (ii) the sectoral programme for the delivery of health services; and (iii) the management of implementing partners.

4. For the audit of the 2013 financial statements, the Board reported key findings and 18 new recommendations in the following six areas: (i) financial matters; (ii) internal audit arrangements; (iii) the Syrian Arab Republic situation; (iv) the provision of health services; (v) implementing partners; and (vi) counter-fraud measures. This document lists the Board's key findings and main recommendations for these areas, and outlines how UNHCR plans to address the identified risks.

5. The Board noted that UNHCR fully implemented 43 of its recommendations from 2012 and previous years, and is in the process of addressing some 22 outstanding recommendations. The Board also recognized that many of its previous recommendations require structural or far-reaching action and, therefore, making progress in some areas will take time. Some examples of these areas include the implementation of an organization-wide approach to risk management, the development of an enhanced framework for implementation with partners, and improved management of procurement. An update on the implementation status and follow-up actions for outstanding recommendations from previous years is available on UNHCR's website at www.unhcr.org/excom, under *Standing Committee documentation*.

II. Key findings relating to the 2013 financial statements

A. Financial matters

6. The Board noted that UNHCR has used IPSAS-based financial information to significantly improve its overall inventory holding management and the financial management of country offices. However, the Board believed that there is still room for

[1] A/69/5/Add.6, Voluntary funds administered by the United Nations High Commissioner for Refugees, Financial report and audited financial statements for the year ended 31 December 2013 and Report of the Board of Auditors, as referenced in A/AC.96/1135.

further improvements and recommended the introduction of target levels for inventory holdings and other assets. In response, UNHCR confirmed that measures have been taken to determine the minimum inventory levels to meet the needs of 600,000 persons of concern. Target levels have also been established for all stockpiles managed by the field offices and are reviewed regularly, at minimum semiannually. To refine the adequacy of target levels, UNHCR is in the process of introducing a supply planning method, by which the inventory levels and the quantities to be purchased are determined based on expected future needs, thus optimizing the stock levels.

7. The Board reviewed the methodology, which has been in place for four years, for capturing and allocating the costs to one of the three cost categories used by UNHCR (i.e. programme, programme support and management and administrative), and recognized that this methodology has provided a consistent basis for tracking costs. The Board noted, however, that further refinement could be achieved in the methodology, for example relating to the classification of staff costs under each category. In this regard, UNHCR has indicated that it will undertake a full review of the existing methodology with the aim to further refine the accuracy of the cost classification and reporting.

Key issues/risks identified: effective and efficient management of inventory, achieving optimum levels of inventory holdings; accuracy and transparency of allocating and reporting programme, programme support and management and administrative costs incurred by UNHCR.

B. Internal audit arrangements

8. The Board has reviewed progress in introducing revised internal audit arrangements and found that discussions between the Office of Internal Oversight Services (OIOS) and UNHCR have been ongoing for over two years. The Board re-iterated the importance of having a strong internal audit function, which is critical for the internal control system of the organization, and urged UNHCR and OIOS to reach an agreement on future internal audit arrangements as a matter of priority. In this regard, UNHCR has confirmed that discussions with OIOS are being held to finalize an agreement.

C. Syrian Arab Republic situation

9. The Board focused its examination of the Syrian Arab Republic situation on UNHCR's response in Jordan to the emergency, where approximately 25 per cent of refugees leaving Syria were hosted. The Board found that UNHCR had responded well overall in Jordan to the demands of the emergency, and emphasized that UNHCR successfully mobilized resources to meet the material needs of the persons of concern and had made good progress moving from an emergency footing towards a more sustainable refugee operation.

10. The Board reviewed the introduction of the biometric recognition system used in Jordan for refugee registration. It acknowledged that the system greatly improved controls preventing multiple registrations and provided more robust information to track the complex refugee movements within Jordan. The Board recommended that UNHCR performs an evaluation of this system with a view to use knowledge collected so far and apply it to a standard global system for biometric identification and registration of refugees. UNHCR has committed to ensuring that lessons learned from the implementation of registration procedures within the Jordan operation – as applicable – are taken into account in the development of global biometrics registration procedures.

11. The Board also reviewed UNHCR's cash assistance programme in Jordan and noted that, compared to the supply of commodities, it provides quicker and cheaper delivery of assistance, as well as an increased independence and choice for recipients. The Board found that UNHCR has gathered extensive data on its cash programme, but recommended that the scheme be independently evaluated. To address this recommendation, UNHCR will carry out a study, by the end of 2014, on the impact of cash assistance on reducing negative coping mechanisms among Syrian refugees in four countries in the region. UNHCR has also commissioned an independent evaluation of the overall response to the Syrian refugee situation in Jordan and Lebanon, which is also expected to be completed by the end of the year. UNHCR will use the results of these studies and evaluations to conceptualize, if necessary, a comprehensive evaluation to be performed in 2015. The comprehensive evaluation would address areas that may have been overlooked by the previous studies, while avoiding duplication and ensuring a cost-effective approach.

12. Furthermore, while recognizing that optimal solutions may be compromised in emergency situations, the Board noted that the receipt of donor funding late in the year could lead to short-term programming of activities where it is easy to spend funds quickly rather than using them optimally. The Board understood that this may be partly due to the lack of multi-year funding agreements and the predominance of annual agreements with implementing partners. The Board recommended that UNHCR explore if greater use could be made of partner agreements extending beyond the traditional 12 months. UNHCR explained that such flexibility could be further enhanced if donors subscribe to a reliable and firm commitment for multiple-year funding to allow planning, implementation and conclusion of agreements beyond 12 months. Currently, UNHCR is faced with the following constraints in extending partnership agreements beyond 12 months: (i) the donor contributions are normally pledged for a year; (ii) UNHCR's organizational budget is approved on annual basis; and (iii) the Office needs to maintain flexibility in order to respond to existing and newly arising emergency situations. Notwithstanding the above, UNHCR will further assess whether this recommendation could be implemented.

13. The Board noted that the fast-track recruitment procedures did not work well in the early stages of the operation, as UNHCR took up to six months on average to recruit the early batches of fast-track recruits. While this subsequently reduced to less than three months, the Board highlighted the need for UNHCR to consider more flexible staff recruitment procedures in addition to following established internal monitoring and recruitment tracking procedures. UNHCR informed the Board that significant improvements have already been made in the policy and procedures for fast-track recruitment. As a result, the recruitment time has considerably shortened.

Key issues/risks identified: efficiency of registration systems; mobilization of timely resources in order to conclude longer-term agreements with the implementing partners; flexibility of staff recruitment in emergency situations; adequacy of cash programmes in the Syrian Arab Republic situation.

D. Provision of health services

14. The Board noted that consistently high levels of health service provision were evident in terms of treatment, clinical staffing and availability of medical supplies in most locations it visited. However, the Board identified a number of areas where further enhancements could be made, including better links at the camp level between health outcomes and health spending, and more opportunities for the interpretation of the statistical data. In response to this recommendation, UNHCR has committed to develop guidance for country teams on cost effectiveness criteria, using published international data and best practices in health services.

15. Equally, the Board highlighted that there is scope for UNHCR to focus its strategy, reporting and resources on the main burdens of disease in each operation. The Board emphasized that the strategies and reporting at country offices tend to focus predominantly on standard global strategic priorities such as HIV/AIDS rather than on the main causes of mortality, morbidity and patient demand. The Board recommended that UNHCR requires its country offices to explicitly refer to the main burdens of disease when bidding for health programme resources. In response, UNHCR will take measures to ensure that planning instructions will reflect the Board's recommendation and will include guidance for selection of health partners.

Key issues/risks identified: accuracy and reliability of data obtained through the health information systems; meaningful links at camp level between health outcomes and health spending; link between number of health workers and size of refugee population

E. Implementing partners

16. The Board took note of the fact that UNHCR is developing and implementing a risk-based approach to managing partnerships, which requires closer monitoring and control of higher-risk partners. This new approach will be fully implemented by 2015. The Board reviewed the controls exercised by UNHCR over partners in respect to financial performance and performance against objectives. Such controls, carried out through monitoring, verification visits or independent external audits, must provide UNHCR with high assurance with respect to the work of its partners. However, the Board found that, while these controls were operating effectively in Jordan, there were evident weaknesses in the planning and performance of 2013 verification work in Ethiopia, South Sudan and elsewhere. The Board will therefore continue in future years to examine the effectiveness of the new risk-based approach.

17. The Board noted that due diligence procedures exercised by UNHCR were based on the partner's own declarations of eligibility and were not as rigorous as, for example, vendor registration procedures. It recommended, therefore, enhancing the due diligence procedures for the initial vetting of partners. UNHCR informed the Board that a web-based "Partner Portal" is currently under development, which will provide an interactive platform for partnership registration. This tool will also allow for more comprehensive and systematic checking and updating of the enlisted partner profiles.

18. The Board also recommended putting in place a mechanism to share intelligence on poor quality or unacceptable partners with other entities, such as United Nations agencies, donors, or development banks. UNHCR has confirmed that it will explore avenues for networking and exchanging information with other United Nations organizations.

Key issues/risks identified: selection, maintenance and monitoring performance of partners

F. Counter-fraud measures

19. In response to a previous Board recommendation to review and update current anti-fraud policies and procedures, UNHCR issued a revised Strategic Framework for the Prevention of Fraud and Corruption in July 2013, to serve as a transparent reference for awareness, advocacy and implementation of measures to prevent and report fraud. In line with the framework, UNHCR has put in place mechanisms for reporting possible fraud and for instituting disciplinary measures or contractual remedies once the fraud has been investigated. However, UNHCR still has to streamline its processes to integrate the fraud prevention measures, in order to achieve a full implementation of the framework. In this

regard, since 2013, financial management training for country representatives has included a chapter on fraud prevention and mitigation. Furthermore, new software (Governance Risk Compliance - GRC) to enhance the automated internal controls will be installed as part of the upgrade of UNHCR's enterprise resource planning system. The Board has called for more concerted action by senior management to achieve meaningful results and full implementation of the Board's previous recommendation. To address this, UNHCR is establishing a comprehensive implementation plan for the requirements and measures related to fraud prevention and mitigation in the framework.

Key issue/risk identified: fraud risk

III. Main recommendations

A. Recommendation (paragraph 9)

20. While recognizing UNHCR's position and its dependence on voluntary funding, the Board recommends UNHCR establish appropriate target levels for inventory holdings and other assets.

Measures taken by the Administration

21. For its seven centrally-managed global stockpiles, UNHCR has determined the minimum inventory levels to meet the needs of 600,000 persons of concern. At the end of 2013, this was valued at approximately $34 million based on average prices. Target levels have also been established for all stockpiles managed by the field. All target levels are reviewed regularly, at minimum semi-annually. To refine the adequacy of target levels, UNHCR is in the process of introducing a supply planning method, by which the level of inventories and the quantities to be purchased are determined based on expected future needs, thus optimizing the stock levels.

B. Recommendation (paragraph 18)

22. The Board recommends that UNHCR review and further refine the methodology for allocating programme and management costs, which has been in place for four years, with a view to increasing the granularity of its knowledge and ensuring that the costs are accurately captured and reported.

Measures taken by the Administration

23. UNHCR allocates its costs across three categories: programme (PG) costs, programme support (PS) costs, and management and administration (MA) costs. The existing methodology has been developed by UNHCR and applied consistently in all programmes, projects and locations for the last four years. The Board noted that some further refinement could be achieved in the methodology, for example relating to the classification of staff costs under each of the three above-mentioned categories. In this regard, UNHCR will undertake a full review of the existing methodology with the aim to further refine the accuracy of the cost classification and reporting.

C. Recommendation (paragraph 30)

24. The Board recommends UNHCR evaluate the performance of the biometric registration procedures implemented in Jordan with a view to concluding its work to provide a standard global system for the biometric identification and registration of

refugees.

Measures taken by the Administration

25. UNHCR's development team for the global biometrics system, in coordination with the country office, will ensure that lessons learned from the implementation of registration procedures within the Jordan operation – as applicable – are fully taken into account in the development of global biometrics registration procedures.

D. Recommendation (paragraph 36)

26. The Board recommends that UNHCR explore whether greater use could be made of partner agreements extending beyond 12 months.

Measures taken by the Administration

27. Flexibility is already exercised to allow extension of the implementation and agreement period of partner agreements, depending on availability of funds and operational requirements. In response to the emergency operations in Sudan and the Syrian Arab Republic, 200 projects were extended beyond 2013. This flexibility can be further enhanced if donors would subscribe to a reliable and firm commitment for multiple-year funding to allow planning, implementation and conclusion of agreements beyond 12 months. However, currently UNHCR is faced with the following constraints in extending partnership agreements beyond 12 months: (i) the donor contributions are normally pledged for a year; (ii) UNHCR's organizational budget is approved on annual basis; and (iii) the Office needs to maintain flexibility in order to respond to existing and newly arising emergency situations. Signing multi-year agreements with partners poses greater risks for partners and UNHCR, without having funding secured. Notwithstanding the above, UNHCR will further assess whether this recommendation could be implemented.

E. Recommendation (paragraph 40)

28. The Board recommends that UNHCR adopt more widely a flexible approach to emergency staffing, including the contracting of staff from other organizations and, when facing bottlenecks, outsourcing some or all recruitment processes.

Measures taken by the Administration

29. UNHCR has already put in place a more flexible approach to emergency staffing. Several revisions of the fast-track procedures have considerably improved the speed of filling of vacancies – from up to six months initially to less than three months in more recent batches. Effective 15 July 2014, UNHCR promulgated a policy under which the filling of fast-track positions with internal applicants who have been jointly approved for these positions by managers and the Division of Human Resources Management no longer requires review by the Joint Review Board. The most recent fast-track recruitment announced on 17 July 2014 for the Central African Republic and the South Sudan emergency situations is subject to these revised policy and procedures. Therefore, UNHCR considers this recommendation implemented.

F. Recommendation (paragraph 56)

30. The Board recommends that, given the major scale of UNHCR's Jordan cash programme and plans to expand it to other countries, UNHCR commission an independent and expert evaluation of the programme, with the aim of reporting before the end of 2014.

Measures taken by the Administration

31. Currently, UNHCR is commissioning a study on the impact of cash assistance on reducing negative coping mechanisms among Syrian refugees in four countries in the region, to be concluded by the end of the year 2014. It has also contracted an independent evaluation of the overall response to the Syrian refugee situation in Jordan and Lebanon, which is also expected by the end of the year. There are a number of evaluations and studies taking place in Jordan in 2014, commissioned by other actors (international organizations or NGOs) in the field of humanitarian response, on cash assistance programmes and their impact. UNHCR will use the results of these studies and evaluations to conceptualize, if necessary, a comprehensive evaluation to be performed in 2015. The comprehensive evaluation would address areas that may have been overlooked by the previous studies, while avoiding duplication and ensuring a cost-effective approach.

G. Recommendation (paragraph 76)

32. The Board recommends that UNHCR revise its planning guidance to (a) require country offices to explicitly refer to the main burdens of disease when bidding for health programme resources; and (b) reminds country offices of their discretion to use non-global priority indicators to monitor country-specific health issues.

Measures taken by the Administration

33. UNHCR will ensure that planning instructions reflect the recommendation of the Board of Auditors, and will also include guidance for the selection of health partners.

H. Recommendation (paragraph 93)

34. The Board recommends that UNHCR works towards more consistent utilization levels per health worker across its camps, through an appropriate mix of:

(a) Considering the selective redeployment of some health worker posts between smaller and larger camps, as appropriate, and beyond health management;

(b) Directing new intakes of refugees to existing underutilized camps;

(c) Camp consolidation, working with national authorities to close smaller camps that would not be economical to sustain in the long term.

Measures taken by the Administration

35. UNHCR issued a policy on alternatives to camps in July 2014. Through this policy, UNHCR is making an institutional commitment to pursue alternatives to camp situations, whenever possible, while ensuring that refugees are protected and assisted effectively and are able to achieve solutions. The policy refocuses attention on refugees living in camps and extends the principal objectives of UNHCR's urban refugee policy to all operational contexts. UNHCR has also developed several guidance documents that are in line with the recommendations provided by the Board, including (i) a global strategy for public health 2014-2018; (ii) guidance on health in urban areas; and (iii) operational guidance on health insurance schemes for refugees. UNHCR considers this recommendation therefore as implemented.

I. Recommendation (paragraph 105)

36. To strengthen the selection process of implementing partners, the Board recommends that UNHCR:

(a) Enhance its due diligence procedures for the initial vetting of partners to include reference checks where appropriate; and

(b) Develop mechanisms, in consultation with other United Nations agencies and the wider humanitarian community, to share intelligence on implementing partners.

Measures taken by the Administration

37. The self-declaration of eligibility by partners is an initial step of partner introduction to UNHCR, as part of a comprehensive process of registration and vetting. A new web-based tool, known as the "Partner Portal", is under development. It will provide a platform for partnership registration, including an extensive questionnaire. The Partner Portal will serve as a database of screened partner profiles, including type of partner, references of previous relations with UNHCR and other United Nations organizations, performance tracking and agreements. It will allow a systematic manner of maintaining, reviewing and updating profiles, screening, enlisting and removing entities. The Partner Portal will also facilitate information-sharing among UNHCR, country offices and other relevant parties.

38. In respect of the recommendation to share intelligence on implementing partners, UNHCR will explore avenues and mechanisms for networking and exchanging information with other UN system organizations.

IV. Other recommendations

A. Recommendation (paragraph 45)

39. The Board recommends UNHCR to evaluate the associated costs and benefits of basing the Regional Bureau for the Middle East in Amman and to identify whether any lessons can be learned for existing or future operations.

Measures taken by the Administration

40. UNHCR agrees that it is important to conduct an internal review of costs and benefits of basing the Regional Refugee Coordination/Director of the Regional Bureau for the Middle East and North Africa in Amman to improve the existing management and governance structure, if needed. The review will also aim to draw lessons for designing future structures and systems for managing large-scale and rapidly evolving emergencies.

B. Recommendation (paragraph 50)

41. In view of the success of the real-time tool ActivityInfo, used in Jordan to coordinate the activities of UNHCR and partners, the Board recommends that UNHCR explore the scope for wider use of online geographical information systems such as ActivityInfo.

Measures taken by the Administration

42. UNHCR will undertake a review of the use of ActivityInfo to assess the feasibility of expanding its use and/or incorporating key functions into other global systems.

C. Recommendation (paragraph 61)

43. The Board recommends, in order to avoid overstocking and preserve flexibility, UNHCR regularly review stocks held in global and local warehouses to confirm that stock levels remain appropriate.

Measures taken by the Administration

44. UNHCR agrees that it is important to regularly review stocks held in global and local warehouses, a principle which is built into the current procedures. The Supply Management and Logistics Service (SMLS) reviews stock levels in all warehouses on a monthly basis, and reports on the items that potentially exceed the requirements (i.e. stock in excess of the last 12 months' distribution or in excess of the average distribution during the last three years). The report is sent to the countries concerned for review and action, if required. Stock levels for emergency operations are planned based on the number of persons of concerns expected, which is difficult to predict in volatile environments. For example, at the time of review, UNHCR temporarily held more stock of certain items than required in Lebanon, because a higher influx of refugees had been expected. Meanwhile, a significant part of the surplus stock has been redirected from Lebanon to Iraq where it was needed, and a similar solution is being sought for the remaining surplus stocks. UNHCR expects that there will not be any material surplus stocks in inventory by the end of 2014.

D. Recommendation (paragraph 80)

45. The Board recommends that UNHCR deepens its annual fact sheet summaries for public health, reproductive health and water, sanitation and hygiene (WASH), to identify the relationship between health indicators and health resources consumed, twice yearly and at camp level.

Measures taken by the Administration

46. UNHCR will support the development of half-yearly country summaries on public health, reproductive health and WASH to be used during the mid-term review of budgetary resource allocation at the country level. UNHCR will continue to produce annual country public health fact sheets based on data gathered from Twine (an online platform to manage and analyze public health data collected in refugee operations), including an analysis of past and current operational data to identify trends in health-related programme costs. During regional workshops, a programme training component will be added to train public health officers on the use of health data in the results framework against budgets.

E. Recommendation (paragraph 83)

47. To understand the experiences of refugees who are not using UNHCR health facilities and devise appropriate interventions, the Board recommends UNHCR to evaluate the performance of the surveillance tool pilot schemes in Kuala Lumpur and Lebanon and to consider the wider application across its network, if applicable.

Measures taken by the Administration

48. UNHCR is currently rolling out a household health assessment and utilization survey in Jordan and Lebanon. Based on this, a decision will be made in November 2014 on tools that will be implemented for monitoring access to health care in non-camp settings.

F. Recommendation (paragraph 86)

49. The Board recommends that UNHCR issues central guidance to country teams on cost-effectiveness criteria in health services as an aid to decision-making and resource allocation in health programmes.

Measures taken by the Administration

50. UNHCR will develop guidance for country teams on cost-effectiveness criteria as recommended by the Board, using published international data and best practices.

G. Recommendation (paragraph 91)

51. The Board recommends that UNHCR refines its standard operating policies for referrals, requiring country offices to:

(a) Include referral numbers and costs to both secondary and tertiary level care in the monthly reporting framework for implementing partners;

(b) Monitor variation in local referral rates and investigate where there are adverse trends or anomalous results;

(c) Require partners to seek approval from UNHCR for cases over a certain monetary threshold; and

(d) Use referral committees to provide consistent and transparent decisions on which high-value cases should be supported.

Measures taken by the Administration

52. UNHCR is currently piloting an automated tool to improve the monitoring of referral care in Ethiopia, Jordan, Lebanon and South Sudan. The results of the pilot will be available by the end of 2014, and a new database referral tool will be subsequently developed. UNHCR will support countries with referral care covered by the organization to have a country-specific standard operating procedure (SOP) in line with the global principles and guidance on referral care.

H. Recommendation (paragraph 98)

53. The Board recommends that UNHCR considers the wider application of its health scorecard system across the country network. It should ensure that, for each health centre where it uses the balanced scorecard, it develops an action plan, jointly with the implementing partner, to address areas of improvement, and that it follows up at regular intervals to ensure progress is being made. UNHCR should report against the balanced scorecard results in the bi-annual performance reporting and use the results when selecting which health implementing partners to work with.

Measures taken by the Administration

54. UNHCR is currently expanding the balanced scorecard (BSC) to include an additional module on reproductive health and HIV. Based on its utilization, a roadmap will be developed for further roll-out of the expanded BSC tool in the online platform Twine and for an improved sharing and reporting mechanism at country, regional and global level. This will allow for consistent follow-up on the utilization of the tool. Through the automated sharing/reporting mechanism, the tool will feed into the mid-term and year-end

evaluation. At the country level, the BSC can be used by programme staff and management to monitor programme implementation and performance and by partners as a performance monitoring tool, and can also inform the partner selection committee.

I. Recommendation (paragraph 101)

55. The Board recommends that UNHCR issues renewed guidance to clarify the circumstances in which implementing partner agreements are unsuitable and commercial procurement may be more appropriate.

Measures taken by the Administration

56. UNHCR will develop and issue guidance clarifying the criteria and circumstances under which activities should be implemented through either non-profit partner organizations or directly through commercial providers. Factors like the purpose of the activity to be implemented and the specific operational requirements, particularly during emergency operations, will be among the critical ones to be considered. Furthermore, a revised procedure on procurement by partners with UNHCR funds is in preparation and will be issued shortly.

V. Conclusion

57. UNHCR reiterates its commitment to address the recommendations made by the Board and to continue to improve procedures, systems and controls in order to mitigate the identified risks. The Board's findings and recommendations that have been accepted by UNHCR will help the organization to prioritize its resources in areas in which it is most exposed to risk.